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Syria

Tree Nuts

Annual

2002

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Report Highlights:

Syrian pistachio production continues to increase gradually. Legal imports of shelled pistachios dropped 40 percent in 2000 and are estimated to stay at the same level in 2001 and 2002. This drop is compensated for by illegal imports through Lebanon. In-shell pistachios are not permitted to be imported. Syria exports significant quantities of "green" pistachios to neighboring countries, but cannot compete in world markets with cheaper pistachio exports from Iran, Turkey, and Afghanistan.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
Cairo [EG1], SY

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Production

PSD Table						
Country:	Syria					
Commodity:	Pistachios, Inshell Basis					
		2001		2002		2003
	Old	New	Old	New	Old	New
Market Year Begin		08/2001'		08/2002'		08/2003'
Area Planted	59500	59000	60000	60000	0	60500
Area Harvested	48000	48000	50000	50000	0	50500
Bearing Trees	5000	5000	5500	5500	0	5600
Non-Bearing Trees	5200	4800	4800	4500	0	4500
Total Trees	10200	9800	10300	10000	0	10100
Beginning Stocks	6684	6684	10684	7184	0	7184
Production	45000	42000	45000	45000	0	48000
Imports	3000	4000	2000	4000	0	4000
TOTAL SUPPLY	54684	52684	57684	56184	0	59184
Exports	10000	10500	15000	11000	0	12000
Domestic Consumption	34000	35000	36000	38000	0	40000
Ending Stocks	10684	7184	6684	7184	0	7184
TOTAL DISTRIBUTION	54684	52684	57684	56184	0	59184

Pistachios are grown in Syria under rainfed conditions. The 2001 crop is estimated at 42,000 tons of in-shell pistachios. In 2002, the number of fruit-bearing trees is estimated at about 5.5 million and the crop is forecast at 45,000 tons. Syria has a total of 10 million trees planted on 60,000 hectares. In 2002, the crop benefitted from good rainfall conditions in pistachio planted areas.

No major incidence of pests or diseases was reported in 2001 and 2002. Pesticides are rarely used in pistachio orchards. The use of commercial fertilizer is not common and growth regulators are not used. Organic matter is generally used at planting time.

Pistachios are grown in areas that are usually not suitable for most other crops and are, in many places, co-planted with figs, olives, and grape vines. The majority of the trees in Syria are still fairly young and have not reached the economic fruit bearing stage. The average yield per tree increases with the age of the planted trees. The Ministry of Agriculture and Agrarian Reform encourages pistachio production by selling seedlings at nominal prices.

The farm-gate prices are forecast at 75-100 SP (USD 1.50-2.00) per kilogram of "green" pistachios depending on the variety. This price may drop as low as 60 SP (USD 1.20) per kilogram of green pistachios as the crop comes to full

maturity in late summer.

Consumption

A significant part of the crop is consumed "green" in Syria. The harvesting season starts in August. Wholesale prices of shelled pistachios that are mainly used for sweets production and for local ice cream have gone back to normal levels. Prices range from about 375 SP (USD 7.50) to 425 SP (USD 8.50) per kilogram for shelled pistachios of the first grade varieties. Illegally imported Iranian pistachios sell at about 400 SP (USD 8) per kilogram, 33 percent above the prices prevailing one year ago. No American pistachios are present in the Syrian market.

Trade

Export Trade Matrix			
Country:		Units:	Metric Tons
Commodity:			
Time period:	CY		
Exports for	2001		2002
U.S.	0	U.S.	0
Others		Others	
Lebanon	6500	Lebanon	7000
Jordan	3000	Jordan	3000
Total for Others	9500		10000
Others not listed	1000		1000
Grand Total	10500		11000

Import Trade Matrix			
Country:		Units:	Metric Tons
Commodity:			
Time period:	CY		
Imports for	2001		2002
U.S.	0	U.S.	0
Others		Others	
Iran	3000	Iran	3000
Turkey	500	Turkey	500
Afghanistan	500	Afghanistan	500
Total for Others	4000		4000
Others not listed			
Grand Total	4000		4000

Foreign trade statistics indicate a decrease in "legal" imports of shelled pistachios from 2,197 tons in 1999 to 1,304 tons in 2000 of which 1,244 tons came from Iran. Trade data for 2001 are not yet published. In-shell pistachios cannot be imported. Pistachios, shelled and in-shell, are being smuggled into Syria via Lebanon from Iran, Turkey, and Afghanistan. All roasted non-local in-shell pistachios sold in Syria are unofficially imported through Lebanon and Turkey or brought by Iranian tourists. An import license is necessary for official imports of pistachios. Customs duties on shelled pistachios are set at 50 percent, while customs duties in neighboring Lebanon are only 5 percent. Official imports are expected to drop further if the collected customs duties are increased due to the expected change in exchange rate utilized to collect customs duties by the customs department.

Syrian official exports of green pistachios dropped from 4,644 tons in 1999 to 3,673 tons in 2000, mainly to Lebanon (3,343 tons) and Jordan (152 tons). Lebanese customs trade data have reported exports of 5,197 MT of "green" pistachios from Syria to Lebanon in 2001. Significant quantities of pistachios are informally exported out of Syria by visiting tourists from Arab countries for about 3-4 months every year during the harvesting season. Syrian exports of shelled pistachios are negligible. With high prices for local production of shelled pistachios (about 400-500 SP/kilogram), Syria cannot compete in the international market with Iran, Turkey, Afghanistan, and the United States.

There are many exchange rates for the Syrian pound (SP). The official exchange rate is 11.20 SP/USD. The neighboring country rate is currently pegged at 46 SP/USD. Throughout this report, the rate of 50 SP/USD is utilized.

Stocks

According to trade sources, the local supply of pistachios, plus the legal and illegal imports, match domestic consumption and exports. Ending stocks are estimated to stay at the same level in 2002. All stocks are held generally by the traders, not the producers. It is strange to note that around the end of the marketing season in July 2002, the prices of locally produced shelled pistachios were significantly higher than those for Iranian, Turkish, or Afghani pistachios.

Policy

The government continues to encourage pistachio production by selling seedlings at nominal prices. The government does intervene in some areas of pistachio trade such as banning the imports of in-shell pistachios, but prices are determined by supply and demand conditions. Imports of shelled pistachios require an import license and, according to trade sources, are subject to a 50 percent customs duty.

Marketing

There are no Syrian standards for pistachios. Sizing, shelling, and grading are all done by hand. Private sector storage facilities are adequate. The entire pistachio trade is in the hands of the private sector.

Trade sources state that Iranian and Turkish pistachios are more suitable than American pistachios for the local Arabic sweet industry. American pistachios reportedly turn brownish in color during baking as a result of the way they are preserved. The local market preference is for a whole nut, greenish or yellowish in color, that retains its color during high-temperature baking for Arabic sweets.

In order to improve shelled U.S. pistachio sales in Syria, the supplier has to avoid the problems which have occurred in the past, i.e. the method of preparation and preservation that cause color change during baking. Suitable processing of U.S. pistachios would enable the product to be competitive in quality with hand-processed pistachios from Iran and Turkey.